GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

GAD – Cabinet - Constitution of Cabinet Sub-Committee to review Major Policies, Projects, Programmes, Institutions established (Corporations, Societies, Companies, etc), and key Administrative Actions since Bifurcation of Andhra Pradesh State on June 02, 2014 impacting State's Development – Orders – Issued.

GENERAL ADMINISTRATION (CABINET.I) DEPARTMENT

G.O.RT.No. 1411 **Dated: 26-06-2019**

ORDER:

The Government of Andhra Pradesh is committed to the all-round development of Andhra Pradesh State through transparent, effective, and responsive administration, based on the principles and practices of good governance; accelerated economic growth; eradication of poverty, deprivation, and corruption; assured quality health, education, nutrition and other essential services to all citizens; and establishment of comprehensive social security system for sustainable and inclusive development of all people of the State.

2. In this direction, the Government is committed to the implementation of pro-poor and pro-people policies, strategies, programmes and projects in harmony with the United Nations' Sustainable Development Goals (SDGs) and national development priorities. However, the Government is saddled by the legacies of not only unjust and iniquitous bifurcation of the erstwhile State of Andhra Pradesh against the wishes of majority of the people, but more importantly, by the mis-governance, corruption and systematic weakening of governance institutions in the post-bifurcation phase during the past five-years, which together have contributed to the current distressing situation prevailing in the State.

3. While the bifurcation of the state was done without any consideration for the disastrous economic, financial, developmental, and institutional consequences, the people of the State have abundant resilience and capacity and therefore could have quickly recovered and launched themselves on the path of sustainable development, if only the previous government had the leadership with vision, strategy, transparency, and above all the selfless commitment for the transformational development of the state.

4. Unfortunately, governance during the past five years was characterised by unbridled corruption, ruthless exploitation of natural resources – land, water resources, mines, etc. - for private gain, avaricious grabbing of land from small

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and marginal farmers, especially those belonging to the weaker sections, large scale displacement of poor families from their habitations, thoughtless and needless environmental destruction, privatisation of public institutions, politicisation of the government machinery, complete neglect of farmers, youth, weaker sections, and minorities, and above all, serious mismanagement of the financial system. All these factors together have pushed the state into dark ages that were never experienced in the history of this State.

5. In this background, the Government - with its commitment to ensure transparent, corruption-free, pro-people, responsive and effective governance - have decided to review all major policies, programmes, projects, administrative decisions and actions, and all government-financed institutions established, since bifurcation of the state on June 02, 2014 that have contributed to pushing a wide cross section of people into distress, and bequeathed the current government with empty coffers, mountain of debt and seriously damaged public financial system.

Cabinet Sub-Committee

6. In this background, the Government have decided to establish a Sub-Committee of the Cabinet with the following members:

a) Sri Buggana Rajendranath Reddy, Hon'ble Minister of Finance, Planning and Legislative Affairs
b) Sri Peddireddy Ramachandra Reddy, Hon'ble Minister of Panchayat Raj, Rural Development, Mines and Geology
c) Sri Kurasala Kanna Babu, Hon'ble Minister of Agriculture and Co-operation
d) Sri P Anil Kumar, Hon'ble Minister of Irrigation and Water Resources
e) Sri M Gautam Reddy, Hon'ble Minister of Industries, Commerce and Information Technology
f) Dr Manmohan Singh IAS, Special Chief Secretary to Government and Chief Commissioner of Land Revenue (CCLA) will be the Secretary of the Sub-Committee and provide the necessary secretarial and logistic support required for effective functioning of the Cabinet Sub-Committee.

Terms-of-Reference (TOR)

7. The Cabinet Sub-Committee will undertake critical and thorough review of the issues summarised below and recommend appropriate measures for future action. The Sub-Committee will identify the person / persons / institutions responsible for *prima facie* malafide decisions and actions, and recommend

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appropriate action. Based on the recommendations of the Cabinet Sub-Committee, the Government will take necessary action to remedy the damage done, if any, and initiate measures for corrective action to launch the state on the path of sustainable development trajectory.

8. The key Terms-of-Reference of the Cabinet Sub-Committee include the following:

a) Identify the major policy decisions; programs and their execution; key projects launched; and institutions established, that contributed to wastage and misuse of scarce and valuable public resources – financial, institutional, human resources, etc. – and retarded the progress of the state and resulted in avoidable distress to different sections of the society.

b) Review the objectives and the processes by which these policies, programs, projects, and institutions were created with reference to public interest, adherence to the established procedures of governance, Rules of Business of the Government, and their consequential impact on the governance institutions, systems, procedures and above all, on the public interest.

c) Review the procurement systems and tender procedures adopted for various projects and programs, especially award of major works, good, and services contracts, public-private partnerships (PPPs), Swiss-Challenge procurement, allocation of public resources, particularly land, water, mines, and power, etc., and determine the deviations from the established procedures, loss to the public exchequer, beneficiaries of pecuniary gain, if any.

d) Review major Memoranda of Understanding (MOU), Memoranda of Agreements (MOA), Letters of Intent (LOI), Joint Ventures (JVs), Special Purpose Vehicles (SPVs), etc., executed / launched on behalf of the government – either directly by the government departments, or government undertakings, corporations, and subsidiaries - with domestic and foreign entities, with focus on the substantive rationale for the action taken, procedure adopted, expenditure incurred, manpower deployed, and the output and outcome from the perspective of public interest, governance effectiveness, use or misuse of public resources, value accruals, and identify the instances of *prima facie* corruption, nepotism, misuse of authority, misappropriation of public resources, etc.

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e) Review various corporations, societies, companies, authorities, parastatal entities, joint ventures, special purpose vehicles established during the period under review, assess their performance vis-à-vis the intended purpose, and recommend appropriate measures for further action.

f) Review the major consultancies / consultants awarded / contracted during the period under consideration with specific reference to the procedure adopted for procuring the services, the performance of these consultancies vis-à-vis the terms-of-reference and the contractual terms and conditions and recommend appropriate mechanism and procedure for the future.

g) Review major land parcels of the government and its entities allotted forwith specific reference to the purpose of such allotment, the methodology of allotment, propriety of price determination, specifically comment if the intended objectives have been realised and there has been instances of implicit or explicit corruption, Quid pro Quo deals, misuse of funds, nepotism, loss to the public exchequer.

h) Review all major mining leases granted during the period under review with specific reference to the purpose of such allotment, the methodology of allotment, and specifically comment if the intended objectives have been realised and there has been instances of implicit or explicit corruption, misuse of funds, Quid pro Quo deals, nepotism, loss to the public exchequer.

i) Review all investments in power sector and infrastructure projects approved and Power Purchase Agreements (PPAs) executed during this period and recommend appropriate action in case of omissions, commissions, malafide actions, loss of valuable public resources.

j) Review the omissions and commissions that contributed to unprecedented misery of the farmers, youth seeking employment, people belonging to SC / ST / BC / Minority communities and other vulnerable sections of the society like women, children, elderly etc.

k) Review the major public-private partnership (PPP) projects awarded by different departments, especially Health, Education, Nutrition programs, etc., with specific reference to the procedure adopted, and performance of the PPP agencies with specific reference to the TOR and Contractual obligations and make appropriate recommendations.

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l) Review the entire Information Technology Projects launched / executed during this period with specific reference to the achievement of purported objectives, procedure adopted, integrity of procurement actions, appropriateness of value determination, violation of intellectual property rights (IPR), if any, and according access to and / or transfer of privileged information / government data, etc., to external entities and its use for political or personal gain.

m) Review in great detail major projects like Polavaram, Capital Regional Development Authority (CRDA) activities and works taken up, ports, airports, highway projects, etc., with specific reference to the tendering process, allocation of land, insider information trading and examine if such actions had contributed to windfall gains to those with access to privileged information.

n) Review the role of important political leaders and key officials in designing and implementing policies, projects, programs and administrative decisions that has had deleterious impact on the welfare and development of people of the State and resulted in misuse of public resources and recommend appropriate action against the concerned.

o) The Cabinet Sub-Committee may consider any other issue it deems appropriate in public interest or any item referred to it by the Hon'ble Chief Minister from time to time.

Key Procedural Issues

9) The Cabinet Sub-Committee will evolve its own procedure for completion of the assigned tasks within a time frame of six weeks. The Committee will undertake extensive consultations with major stakeholders and review the key documents and visit the locations as deem appropriate. The Secretary to the Committee will establish a modest but effective secretariat fortified with staff of impeccable integrity, impartiality and competence with immediate effect.

10) Further, Sri V Vijayasai Reddy, Member of Parliament, Sri V Prabhakar Reddy, Member of Parliament, and Sri P V Mithun Reddy, Member of Parliament, will also participate in the meetings of the Cabinet Sub-Committee as Special Invitees and will deal with matters concerning the central government.

11) All ministries / departments / government undertakings and other parastatal entities shall provide all information, data, documents, files, and tender evidence as sought by the Sub-Committee. The Crime Investigation

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Department (CID), Vigilance and Enforcement Department (V &E) and Anti-Corruption Bureau (ACB), each will deploy a senior official of the rank of not less than Superintendent of Police duly supported by a team of professionals to provide effective support to the Cabinet Sub-committee.

12) The Government reiterates that the purpose of this exercise is to usher in transparent, corruption free, people-centric, development-driven, inclusive governance system at all levels of administration and launch the state on an accelerated development trajectory by learning from the omissions and commissions of the post-bifurcation administration.

13) The Special Chief Secretary to Government, Revenue Department and the CCLA shall take further necessary action in the matter.

14) The Cabinet Sub-Committee shall furnish its recommendations to the Government for taking a decision in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

L.V.SUBRAHMANYAM,
CHIEF SECRETARY TO GOVERNMENT

To
The Ministers concerned.
The Special invitees concerned.
The Special Chief Secretary to Government, Revenue Department and the CCLA.
Copy to
All the Ministers.
All the Spl. Chief Secretaries/ Principal Secretaries/Secretaries to Government.
The Prl. Advisor/Spl. Chief Secretary/Secretary/Addl. Secretary/OSD to C.M
All the Departments of Secretariat (to issue necessary instructions to the HoDs under their administrative control).
The P.S. to Chief Minister / Chief Secretary.
The P.S. to Prl. Secretary (Poll).
The P.A. to Additional Secretary (Cabinet).
The Assistant Secretary (Cabinet).
SF/SC.

// FORWARDED::BY ORDER //

SECTION OFFICER (SC)